Calendar No. 1843

82D CONGRESS, 2d Session | SENATE | REPORT No. 1892

PAUL D. BANNING ET AL.

JUNE 27, 1952.—Ordered to be printed

Mr. MCCARRAN, from the Committee on the Judiciary, submitted the following

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REPORT

[To accompany S. 3277]

The Committee on the Judiciary, to which was referred the bill (S. 3277) for the relief of Paul D. Banning, Chief Disbursing Officer, Treasury Department, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to authorize a credit in the accounts of four disbursing officers of the Treasury Department in an aggregate amount of $896.41 and, further, to authorize the appropriation of an aggregate amount of $340 to various named employees of the Bureau of Internal Revenue to reimburse them for amounts paid by them from their personal funds on account of counterfeit bills and notes accepted by them while in the discharge of their official duties.

STATEMENT

This bill was introduced at the request of the Treasury Department. In a letter accompanying a proposed draft of the legislation, the Acting Secretary of the Treasury states:

> The Department has given careful consideration to the various items included in the suggested draft of legislation and recommends in the interest of economy and good fiscal administration that provision be made for clearance of the amounts of same from the fiscal officers' accounts. Such action will not affect the efforts of the Government to make recovery. Available evidence indicates that such officers acted in entire good faith, and that they were not remiss in any respect in the exercise of their official duties. Moreover, the Treasury Department handles several hundred million financial transactions each year and a few errors are inevitable.

The committee is in agreement with the views of the Acting Secretary of the Treasury that relief should be granted to these named officers and employees and therefore recommends that this bill (S. 3277) be considered favorably.

Attached to this report and made a part hereof is the letter and exhibits of the Treasury Department submitted in connection with the bill.

TREASURY DEPARTMENT,
Washington, May 21, 1952.

HON. ALBEN W. BARKLEY,
The President, United States Senate,
Washington, D. C.

SIR: There is transmitted herewith for the convenience of the appropriate committee a suggested draft of legislation covering relief for the Chief Disbursing Officer and certain other officers and former officers of this Department for various unavailable items in their accounts. The Department has given careful consideration to the various items included in the suggested draft of legislation and recommends in the interest of economy and good fiscal administration that provision be made for clearance of the amounts of same from the fiscal officers' accounts. Such action will not affect the efforts of the Government to make recovery. Available evidence indicates that such officers acted in entire good faith, and that they were not remiss in any respect in the exercise of their official duties. Moreover, the Treasury Department handles several hundred million financial transactions each year and a few errors are inevitable.

UNAVAILABLE ITEMS REQUIRING APPROPRIATION FROM THE GENERAL FUND OF THE TREASURY

This legislation would provide an appropriation of $1,236.41 to cover the following items:

1. Overpayments by Paul D. Banning, Chief Disbursing Officer..... $422.35

The details of the items making up the amount fo $422.35 are stated in the enclosed exhibit A.

2. Overpayments by E. J. Brennan, former Chief Disbursing Officer..... $428.46

The details or the items making up the amount of $428.46 are stated in the enclosed exhibit B.

3. Overpayments by G. F. Allen, deceased, former Chief Disbursing Officer..... $30.70

The details of the items making up the amount of $30.70 are stated in the enclosed exhibit C.

4. Overpayment by Don Iler, Regional Disbursing Officer, New York, N. Y..... $14. 90

The details of the item making up the amount of $14.90 are stated in the enclosed exhibit D.

5. Counterfeit bills received..... $340. 00

The details of the items making up the amount of $340.00 are stated in the enclosed exhibit E.

The payments and counterfeit collections by the foregoing officers for whom relief is requested appear to have been made in good faith and without negligence on their part.

The Department would appreciate it if you would lay the matter before the Senate. A similar communication has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

E. H. FOLEY,
Acting Secretary of the Treasury.

EXHIBIT A.—*Statements showing detailed information regarding differences in the accounts of Paul D. Banning, Chief Disbursing Officer, Division of Disbursement, Treasury Department, which are considered proper for relief through congressional action*

Department or agency	Voucher number	Payee	Period	Amount	Explanation
Treasury: Bureau of Internal Revenue.	6-47556	Lewis Nathaniel	March 1947	$10.00	Check No. 12,480,486, symbol 306, was drawn in the Atlanta Regional Office on March 14, 1947, in favor of Lewis Nathaniel for $33.30 in payment of an item of $3.30 on voucher No. 6-47556. On the same day check No. 12,480,451 was drawn in favor of Thomas W. Daniels for $126.60 in payment of an item of $156.60 on voucher No. 6-47555. The result was an overpayment and an underpayment each in the amount of $30. The errors resulted from failure of the proofreader to detect the errors. Refunds totaling $20 have been received. Efforts on the part of the Division of Disbursement and the Secret Service to collect the balance due of $10 have been unsuccessful.
Do	7-91814	Edmund J. Mathews.	April 1947	73.60	Check No. 6,563,344, symbol 307, was drawn in the Chicago Regional Disbursing Office on April 5, 1947, in favor of Edmund J. Mathews, instead of Joseph Moldevan, the proper payee, in the amount of $93.60. Refunds totaliug $20 have been received. Efforts to collect the unpaid balance have been unsuccessful.
Do	7-212759	Frank Kowalewski	May 1947	279.40	Check No. 7,445,554, symbol 307, was drawn in the Chicago Regional Disbursing Office on May 26, 1947, in favor of Frank Kowalewski, instead of William Alford, the proper payee, in the amount of $279.40. The minor employee responsible for the error is no longer employed by the Division of Disbursement. Efforts by the Division of Disbursement, the Secret Service and the Collector of Internal Revenue to collect the amount of the overpayment have been unsuccessful.
Do	6-428482	Marie Runion	April 1948	59.35	Check No. 20,884,209, symbol 306, was drawn in the Atlanta Regional Disbursing Office on Apr. 14, 1948, in favor of Marie Runion, instead of to Daisy White Wampler, the proper payee, in the amount of $59.35. Efforts by the Division of Disbursement and the Secret Service to collect the amount of the overpayment have been unsuccessful.
Total				422.35	

EXHIBIT B.—*Statements showing detailed information regarding differences in the accounts of E. J. Brennan, former Chief Disbursing Officer, Division of Disbursement, Treasury Department, which are considered proper for relief through congressional action*

Department or agency	Voucher number	Payee	Period	Amount	Explanation
Treasury: Bureau of Internal Revenue.	7-233478	Sarah Chafee	April 1946	$19.10	Check No. 19,973,226, symbol 207-3160, was drawn in the Chicago regional disbursing office on April 16, 1946, in favor of Sarah Chafee, instead of to Thomas Warley, the proper payee, in the amount of $19.10. Efforts of the Division of Disbursement and the Secret Service to collect the overpayment have been unsuccessful as the payee is 64 years old, unemployed, and has no assets.
Do	2-415758	William Clarke	May 1946	33.78	Check No. 21,995,740, symbol 202-3160, was drawn in the New York regional disbursing office on May 18, 1946, in favor of William Clarke in the amount of $33.78 instead of to Lillian Clarke, the proper payee. The error apparently was due to a strike-over on the voucher of "L" over "W". Efforts of the Division of Disbursement and the Secret Service to locate the payee and collect the overpayment have been unsuccessful.
Do	7-325294	Otto H. Stender	do	41.64	Check No. 1,720,371, symbol 207-3160, was drawn in the Chicago regional disbursing office on May 28, 1946, in favor of Otto H. Stender in the amount of $41.64, instead of to Otto A. Stender, the proper payee. The check was inadvertently issued to the wrong payee due to the clerical error of a minor employee. Efforts to collect the amount of the overpayemnt from Otto H. Stender prior to his death on February 15, 1947, were unsuccessful.
Do	6-356518	Nora Mae Roberts (Mrs. Jessie Allen).	June 1946	27.03	Check No. 10,388,551, symbol 206-3160, was drawn in the Atlanta Regional Disbursing Office on June 14, 1946, in favor of Nora Mae Roberts in the amount of $27.03 instead of to Mrs. Willette Boles, the proper payee. Efforts of the Division of Disbursement and the Secret Service to collect the amount of the overpayment from Nora Mae Roberts, now Mrs. Jessie Allen, have been unsuccessful.
Agriculture: Production and Marketing Administration.	5-16773	Bruce Richards	July 1946	15.80	Check No. 1,809,368, symbol 205, was drawn by the Richmond Regional Disbursing Office on July 22, 1946, for $15.80 in favor of Bruce Richards, instead of to Brice Richards, the proper payee. Both parties resided on Rural Route 1, Russell Springs, Ky. The subordinate employee responsible for the error is no longer with the Division of Disbursement. Efforts by the Division of Disbursement and the Secret Service to collect the overpayment have been unsuccessful.
Interior: Bureau of Indian Affairs	15-72696	Aveline LaChappa.	October 1946	291.11	Check No. 3,244,738, symbol 215, was drawn in the Los Angeles Regional Disbursing Office on October 21, 1946, in favor of Aveline LaChappa in the amount of $311.11 although it had been punched and included in the approved total of voucher No. 15-72696 in the correct amount of $20. The check was mutilated and the bank replacement card was cut in the amount of $311.11 instead of $20. Efforts of the Division of Disbursement to collect the amount of overpayment have been unsuccessful as Mr. LaChappa is crippled and cannot earn a living, has no property of value, and is on relief.
Total				428.46	

EXHIBIT C.—*Statement showing detailed information regarding differences in the account of C. F. Allen, deceased, former Chief Disbursing Officer, Division of Disbursement, Treasury Department, which are considered proper for relief through congressional action*

Department or Agency	Payee	Period	Amount	Explanation
Federal Works Agency: Public Roads Administration	John W. Maxwell	August 1943	$27.50	Check No. 15,274 was drawn Aug. 25, 1943, in the amount of $30.25 (Canadian dollars at 1.10 Canadian dollars per United States dollar) on the Canadian Bank of Commerce (White Horse Branch) to the order of John W. Maxwell. A duplicate check was approved by the Secretary of the Treasury on May 16, 1944, upon receipt of satisfactory evidence that the payee had not received the check and that a stoppage of payment had been issued against the check. It was later learned that the original check had been endorsed by John W. Maxwell, Floydada, Tex., on Nov. 15, 1943, and honored by the drawee bank on Nov. 23, 1943. The duplicate check was honored by the Canadian Bank of Commerce (Edmonton Branch) on June 14, 1944. It appears that the endorser of the original check was stationed at White Horse, while the correct payee was located at Edmonton. Efforts to locate the wrongful payee and to secure a refund have been unsuccessful.
Work Progress Administration (now Liquidation of Work Projects Administration).	Anacleto Flores S.	November 1943	3.20	Check No. 2,071,289, symbol 88-730, was drawn on July 28, 1943, in favor of Anacleto Flores S. in the amount of $3.20 and honored by the Treasurer of the United States in October 1943. Since the check was reported as lost, a duplicate check No. 2,071,289 for $3.20 was approved by the Secretary of the Treasury, was issued Nov. 2, 1943, and was honored by the Treasurer of the United States in January 1944 The second check was erroneously issued over symbol 72-14 instead of symbol 88-730. Each of the checks was issued to Anacleto Flores S., whose last known address was Guaypabo, P. R. All efforts to locate the payee and secure repayment of the amount of the overpayment have been unsuccessful.
Total			30.70	

EXHIBIT D.—*Statement showing detailed information regarding difference in the accounts of Don Iler, Regional Disbursing Officer, Division of Disbursement, Treasury Department, which is considered proper for relief through congressional action*

Department or agency	Voucher number	Payee	Period	Amount	Explanation
Treasury: Bureau of Internal Revenue.	258495	Charles S. Kurz	April 1949	$14.90	Check No. 12,629,017, symbol 402, was drawn in the New York regional disbursing office, on Apr. 8, 1949, in the amount of $14.90 in favor of Charles S. Kurz, instead of to John M. Stefanich, the rightful payee, who received check No. 12,629,018 in the amount of $8.20. It is believed the erroneous issuance of the checks by a minor employee who is no longer employed in the Division of Disbursement, resulted from the use by the administrative agency of a complicated form to list the various items. Efforts to collect the amount of the overpayment from Mr. Kurz (now deceased) have been unsuccessful.
Total				14.90	

EXHIBIT E.—*Statement showing details of counterfeit bills and notes received by employees of the Bureau of Internal Revenue, Treasury Department, in the course of official business and for which reimbursement was made from the personal funds of such employees*

Name	Title	Office of collector	Amount
J. W. Bell	Cashier	Columbia, S. C	$10
Ben Binkley	Window teller	Nashville, Tenn	10
Ottmar W. Epple	Stamp teller	Philadelphia, Pa	10
Adele Froussard	Teller	St. Louis, Mo	10
Caroline O. Gesner	Window teller	Philadelphia, Pa	10
Agatha M. Joy	Teller	Detroit, Mich	10
Rosetta H. Little	do	Springfield, Ill. (Decatur Division)	10
James A. Metzger	do	Indianapolis, Ind	10
Mary L. Milhollin	do	Indianapolis, Ind. (Muncie Division)	10
Edith G. Mohr	do	St. Paul, Minn. (Appleton, Wis. office).	10
David R. Mooney, Jr	Mail clerk and relief teller	Syracuse, N. Y	10
Joseph C. Zoellner	Cashier	Toledo, Ohio	10
Bertha M. Barrett	Cash accounting clerk	Baltimore, Md	20
F. H. Bowden, Jr	Cashier	Jacksonville, Fla	20
Joan Conrad	Window teller	Toledo, Ohio	20
Mary Jane Davis	Stamp deputy collector	Richmond, Va. (Roanoke office)	20
Edward J. Jerge	Window teller	Buffalo, N. Y	20
Ashton J. Daussat	Teller	New Orleans, La	30
A. L. Schwemm	Cashier	Pittsburgh, Pa	30
Joe V. Vandiver	do	Kansas City, Mo	30
Mildred F. Whartenby	Window teller	Toledo, Ohio	30
Total			340

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